

Attention Business Editors:
Westaim Announces Completion of JEVCO Acquisition

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TORONTO, March 29 /CNW/ - The Westaim Corporation (Westaim or the Company) (TSX: "WED") today announced that it has completed the acquisition (the Acquisition) of all of the shares of JEVCO Insurance Company (JEVCO) from Kingsway Financial Services Inc. (KFS) pursuant to the terms of the purchase agreement dated as of January 25, 2010, as amended (the Purchase Agreement) between Westaim and KFS. The aggregate purchase price payable by Westaim to KFS in respect of the Acquisition is \$264.2 million, subject to certain adjustments. In accordance with the terms of the Purchase Agreement, Westaim made a cash payment to KFS of \$236.7 million. In addition, Westaim deposited the sum of \$27.5 million with an escrow agent to be held in trust pending certain adjustments to the purchase price in accordance with the Purchase Agreement. Immediately prior to the completion of the Acquisition, KFS made a payment of \$12 million to JEVCO to settle certain intercompany balances and JEVCO paid a cash dividend to KFS in the aggregate amount of \$10.8 million.

In order to finance the Acquisition, Westaim had previously issued a total of 550 million subscription receipts (the Subscription Receipts) at an issue price of \$0.50 each for gross proceeds of \$275 million. The gross proceeds from the sale of the Subscription Receipts, less certain expenses, were being held in escrow pending the satisfaction of certain conditions including:

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- (a) shareholders of Westaim having approved the issuance of all of the securities issuable upon the conversion of the Subscription Receipts at a meeting of shareholders held on March 25, 2010 (Shareholder Approval);
- (b) the receipt of documents evidencing the required approval of the Acquisition under the Insurance Companies Act (Canada) (Regulatory Approval); and
- (c) all conditions required to complete the Acquisition (other than payment of the purchase price) having been satisfied or waived by Westaim.

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Shareholder Approval was obtained on March 25, 2010 and Regulatory Approval was obtained on March 29, 2010. Accordingly, the escrowed funds were released on March 29, 2010 to fund the purchase price in respect of the Acquisition and certain other expenses and all 550 million Subscription Receipts were automatically converted immediately prior to the completion of the Acquisition into an aggregate of 486,147,088 common shares of Westaim and 63,852,912 Series 1 Class A non-voting, convertible participating preferred shares of Westaim having the terms and conditions specified in the Articles of Amendment filed by Westaim on February 26, 2010.

"We are extremely pleased to have completed this important transaction" said Cameron MacDonald, Westaim's President and Chief Executive Officer. "With the acquisition of JEVCO, our transition to a company focused on the property and casualty insurance industry is complete. We look forward to working with JEVCO's senior management to deliver superior results to our shareholders".

"JEVCO and its management team are very pleased to have entered into this partnership with Westaim. We are excited with the growth opportunities ahead, and look forward to our future with Westaim as a solid financial partner." said Serge Lavoie, CEO of JEVCO.

GMP Securities LP acted as financial advisor to Westaim in connection

with Acquisition and as the sole lead manager in respect of both a \$50 million bought deal and a \$59.5 million best efforts underwriting of Subscription Receipts.

A Management Information Circular dated February 26, 2010 (the Circular) was mailed to shareholders and filed on SEDAR (www.sedar.com) and Westaim's web page (www.westaim.com). The Circular contains, among other items, details regarding the terms of the Acquisition, the sale of the Subscription Receipts, the business of JEVCO and certain historical and pro forma financial information relating to JEVCO and Westaim.

About Westaim

With the completion of the Acquisition, Westaim's business is now focused on the property and casualty insurance industry. Westaim's common shares are listed on The Toronto Stock Exchange under the trading symbol WED.

Certain portions of this press release as well as other public statements by Westaim, contain forward-looking statements. Such forward-looking statements include but are not limited to statements concerning the transaction described herein; JEVCO's business and the industry in which it operates; investment strategies and expected rates of return; and strategic alternatives to maximize value for shareholder. These statements are based on current expectations that are subject to risks, uncertainties and assumptions and Westaim can give no assurance that these expectations are correct. Westaim's actual results could differ materially from those anticipated by forward-looking statements for various reasons generally beyond our control, including but not limited to: (i) changes in market conditions or deterioration in underlying investments; (ii) general economic, market, financing, regulatory and industry developments and conditions; (iii) the risks relating to JEVCO's business and the Acquisition described in the Circular; and (iv) other risk factors set forth in Westaim's Annual Report or Annual Information Form. Westaim disclaims any intention or obligation to revise forward-looking statements whether as a result of new information, future developments or otherwise except as required by law. All forward-looking statements are expressly qualified in their entirety by this cautionary statement.

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